

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AEC-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07 INT-05

L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01 OES-05

SP-02 SS-15 STR-04 TRSE-00 FRB-01 FEA-01 PA-02 PRS-01

USIA-15 /109 W

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R 291902Z JAN 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 5516

UNCLAS OTTAWA 0341

E.O. 11652: N/A

TAGS: ENRG CA US

SUBJECT: NEB HEARING ON U.S. NATURAL GAS SUPPLY STORAGE IN CANADA

1. NATIONAL ENERGY BOARD (NEB) ANNOUNCED JANUARY 23 THAT PUBLIC HEARING WILL BE HELD IN OTTAWA ON FEBRUARY 25 ON APPLICATION BY CANADIAN LOWELL GAS LTD, FOR LICENSES AUTHORIZING IMPORTATION OF 1.5 MILLION MCF OF U.S. NATURAL GAS YEARLY INTO SOUTHERN ONTARIO FOR STORAGE PURPOSES AND EXPORTATION OF THIS GAS FOR DISTRIBUTION IN MASSACHUSETTS DURING WINTER MONTHS. LICENSES WOULD EXPIRE APRIL 1, 1988. FEBRUARY 19 IS DEADLINE FOR FILING INTERVENTIONS WITH THE NEB.

2. CANADIAN LOWELL HAS CONTRACTED WITH TENNESSEE GAS PIPE-LINE CO. IN THE U.S. TO DELIVER CERTAIN VOLUMES OF GAS EVERY YEAR, BETWEEN APRIL 1 AND OCTOBER 31, TO TRANSCANADA AT AN EXISTING INTERCONNECTION ON THE INTERNATIONAL BOUNDARY NEAR NIAGARA FALLS, ONTARIO. UNION GAS HAS AGREED TO STORE A MAXIMUM OF 1.5 MILLION MCF IN UNDERGROUND FACILITIES IN DAWN TOWNSHIP, ONTARIO AND RETURN SUCH GAS TO THE U.S. IN VOLUMES UP TO 12,500 MCF PER DAY DURING THE

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MONTHS OF NOVEMBER THROUGH MARCH.

3. LOWELL WOULD PAY UNION GAS A MONTHLY DEMAND CHARGE OF \$3.25/MCF PLUS A COMMODITY CHARGE OF 2 CENTS/MCF FOR ANY GAS INJECTED INTO STORAGE, PLUS 4 CENTS/MCF FOR ANY GAS WITHDRAWN FROM STORAGE DURING THE MONTH. FOR TRANSPORTATION SERVICE BY TRANSCANADA, LOWELL WOULD PAY 3 CENTS/MCF FOR GAS DELIVERED TO UNION GAS IN THE SUMMER SEASON AND A MONTHLY DEMAND RATE OF \$2.70/MCF APPLIED TO THE CONTRACT DEMAND OF 12,500 MCF PER DAY IN THE WINTER SEASON.

4. THE NATIONAL ENERGY BOARD HAS INDICATED THAT GAS USED IN COMPRESSOR OPERATIONS TO STORE LOWELL'S GAS AND REDELIVER IT TO THE BORDER MUST BE DERIVED FROM U.S. SOURCES.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**To:** STATE  
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